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6 November 1980

MEMORANDUM FOR: Deputy Director for National Foreign Assessment
Deputy Director for Science and Technology
Deputy Director for Operations
Deputy Director for Administration
Deputy to the DCI for Resource Management
Deputy to the DCI for Collection Tasking
Comptroller
General Counsel
Legislative Counsel
Inspector General
Director of Public Affairs
Director, Equal Employment Opportunity
Director, Office of Personnel Policy, Planning & Management

FROM : Deputy Director of Central Intelligence

SUBJECT : Transition

Dick Lehman has been designated the Agency's transition coordinator. Please refer all transition matters to him. If you receive calls or requests relating to transition issues, Mr. Lehman should be consulted prior to responding.



STAT

Frank C. Carlucci

cc: DCI
ES
PB/NSC
✓ Mr. Lehman

the preparedness of the industrial base a top priority.

Research and Development

Research and Development (R&D) provides a critical means by which our nation can cope with threats to our security. In the past, the United States' qualitative and technological superiority provided a foundation for our military superiority. Yet we are now on the verge of losing this advantage to the Soviet Union because of Mr. Carter's opposition to real increases in the R&D effort. Delays imposed on the R&D process now allow seven to 10 years or more to elapse between the time when a new weapon system is proposed and when it becomes available.

The Soviet Union now invests nearly twice as much in military research and development as does the United States. This disparity in effort threatens American technological superiority in the mid-1980s and could result in Soviet breakthroughs in advanced weapon systems.

Republicans pledge to revitalize America's military research and development efforts, from basic research through the deployment of weapons and support systems, to assure that our vital security needs will be met for the balance of the century. We will seek increased funding to guarantee American superiority in this critical area and to enable us to deal with possible breakthroughs in anti-missile defense, anti-satellite killers, high-energy directed systems, and the military and civilian exploitation of space.

America's technological advantage has always depended upon its interaction with our civilian science and technology sector. The economic policy of the Carter Administration has severely encumbered private research and development efforts, thereby depriving both our civil and military sectors of the fruits of scientific innovation.

Underfunding of beneficial government-sponsored research efforts in basic and applied scientific research has disrupted the benefits of years of effective effort. In particular, America's preeminence in the exploration of space is threatened by the failure of the Carter Administration to fund fully the Space Shuttle program (with its acknowledged benefits for both the civil and military applications) as well as advanced exploration programs. Republicans pledge to support a vigorous space research program.

Management and Organization

The Republican Party pledges to reform the defense programming and budgeting management system established by the Carter Administration. The ill-informed, capricious intrusions of the Office of Management and Budget, and the Department of Defense Office of Program Analysis and Evaluation have brought defense planning full circle to the worst faults of the McNamara years. Orderly planning by the military services has become impossible. Waste, inefficiency, and paralysis

have been the hallmarks of Carter Administration defense planning and budgeting. This has resulted in huge cost overruns and in protracted delays in placing advanced systems in the field.

National Intelligence

At a time of increasing danger, the U.S. intelligence community has lost much of its ability to supply the President, senior U.S. officials, and the Congress with accurate and timely analyses concerning fundamental threats to our nation's security. Morale and public confidence have been eroded and American citizens and friendly foreign intelligence services have become increasingly reluctant to cooperate with U.S. agencies. As a result of such problems, the U.S. intelligence community has incorrectly assessed critical foreign developments, as in Iran, and has, above all, underestimated the size and purpose of the Soviet Union's military efforts.

We believe that a strong national consensus has emerged on the need to make our intelligence community a reliable and productive instrument of national policy once again. In pursuing its objectives, the Soviet Union and its surrogates operate by a far different set of rules than does the United States. We do not favor countering their efforts by mirroring their tactics. However, the United States requires a realistic assessment of the threats it faces, and it must have the best intelligence capability in the world. Republicans pledge this for the United States.

A Republican Administration will seek to improve U.S. intelligence capabilities for technical and clandestine collection, cogent analysis, coordinated counterintelligence and covert action.

We will reestablish the President's Foreign Intelligence Advisory Board, abolished by the Carter Administration, as a permanent non-partisan body of distinguished Americans to perform a constant audit of national intelligence research and performance. We will propose methods of providing alternative intelligence estimates in order to improve the quality of the estimates by constructive competition.

Republicans will undertake an urgent effort to rebuild the intelligence agencies, and to give full support to their knowledgeable and dedicated staffs. We will propose legislation to enable intelligence officers and their agents to operate safely and efficiently abroad.

We will support legislation to invoke criminal sanctions against anyone who discloses the identities of U.S. intelligence officers abroad or who makes unauthorized disclosures of U.S. intelligence sources and methods.

We will support amendments to the Freedom of Information Act and the Privacy Act to permit meaningful background checks on individuals being considered for sensitive positions and to reduce costly and capricious requests to the intelligence agencies.

We will provide our government with the capability to help influence interna-

tional events vital to our national security interests, a capability which only the United States among the major powers has denied itself.

A Republican Administration will seek adequate safeguards to ensure that past abuses will not recur, but we will seek the repeal of ill-considered restrictions sponsored by Democrats, which have debilitated U.S. intelligence capabilities while easing the intelligence collection and subversion efforts of our adversaries.

Terrorism

In the decade of the seventies, all civilized nations were shaken by a wave of widespread, international terrorist attacks. Time and again, nations and individuals have been subjected to extortion and murder at the hands of extremists who reject the rule of law, civil order, and the sanctity of individual human rights. Terrorism has been elevated to the level of overt national policy as authorities in Iran, encouraged by the Soviet Union, have held 53 Americans captive for more than eight months. Comprehensive support of international terrorist organizations has been a central, though generally covert, element of Soviet foreign policy.

Republicans believe that this tragic history contains lessons that must serve as the basis for a determined international effort to end this era of terrorism. We believe that certain principles have emerged from incidents in which states have defeated terrorist attacks, and we believe the United States should take the lead in a multilateral drive to eliminate the terrorist threat. A first requirement is the establishment of a military capability to deal promptly and effectively with any terrorist acts. We cannot afford, as in the abortive Iranian rescue mission, to allow months to pass while we prepare responses.

The United States must provide the leadership to forge an international consensus that firmness and refusal to concede are ultimately the only effective deterrents to terrorism. The United States should take the lead in combating international terrorism. We must recognize and be prepared to deal with the reality of expanded Soviet sponsorship of international terrorist movements. Development of an effective anti-terrorist military capability and establishment of a Congressional and Executive capability to oversee our internal security efforts will no longer be neglected.

The Role of Arms Control in Defense Policy

The Republican approach to arms control has been markedly different from that of the Democratic Party. It has been based on three fundamental premises:

- first, before arms control negotiations may be undertaken, the security of the United States must be assured by the funding and deployment of strong military forces sufficient to deter conflict at any level or to prevail in battle should aggression occur;